

EXHIBIT 3

In The Matter Of:

ALLERGAN USA, INC.

v.

MEDICIS AESTHETICS, INC.

KNAPP, STEVEN J., 30(b)(6) and 30(b)(1) - Vol. 1
December 16, 2014

CONFIDENTIAL

MERRILL CORPORATION

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STEVEN J. KNAPP, 30(b)(6) and 30(b)(1) - 12/16/2014

Page 1

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

-----X
ALLERGAN USA, INC., and :
ALLERGAN INDUSTRIE, SAS :
:
Plaintiffs :
:
v :
:
MEDICIS AESTHETICS, INC., : Case No.
MEDICIS PHARMACEUTICAL CORP., :
VALEANT PHARMACEUTICALS : SACV13-01436 AG
NORTH AMERICA LLC, : (JPRx)
VALEANT PHARMACEUTICALS :
INTERNATIONAL, and :
VALEANT PHARMACEUTICALS :
INTERNATIONAL, INC. :
:
Defendants. :
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Videotape 30(b)(6) and 30(b)(1) Deposition of:

STEVEN J. KNAPP

Date: Tuesday, December 16, 2014

Location: Patterson Belknap Webb & Tyler LLP
1313 Avenue of the Americas
New York, New York 10036

Time: 9:00 A.M.

Reported by:

Greg DiDonato, CSR, RPR, CM, CP, CRR

1 A P P E A R A N C E S:

2

3 On behalf of the Plaintiffs:

4 FISH & RICHARDSON, P.C.

5 BY: ELIZABETH M. FLANAGAN, ESQ.

6 222 Delaware Avenue, 17th Floor

7 Wilmington, DE 19899

8 (302) 652-5070

9 (eflanagan@fr.com)

10

11

12 On behalf of the Defendants and the Witness:

13

14 PATTERSON BELKNAP WEBB & TYLER LLP

15 BY: ADAM PINTO, ESQ.

16 1133 Avenue of the Americas

17 New York, NY 10036

18 (212) 336-2000

19 (apinto@pbwt.com)

20

21

22

23

24 ALSO PRESENT: WILLIAM PACE, Videographer

25

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30

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32

1 diligence? 10:19:33

2 A. Yes. 10:19:33

3 Q. What were those? 10:19:33

4 A. The entire Medicis' marketed product 10:19:34

5 portfolio, and every major R&D project that 10:19:39

6 they had proposed to be carried forward in the 10:19:44

7 five-year horizon. 10:19:49

8 Q. As part of your due diligence, did 10:19:53

9 you look at Allergan's Juvéderm line of 10:19:59

10 products at all? 10:20:02

11 A. No. 10:20:04

12 Q. Did you consider the market that 10:20:05

13 Restylane and Perlane operated in as part of 10:20:10

14 your due diligence? 10:20:14

15 A. I don't understand that question. 10:20:16

16 Q. Did you think about the business side 10:20:17

17 of things in your due diligence or was your 10:20:21

18 review more limited to regulatory and product 10:20:23

19 function? 10:20:27

20 A. It was entirely limited to regulatory 10:20:28

21 and product function. 10:20:30

22 Q. Do you know if a team of individuals 10:20:32

23 looked at the acquisition from the marketing 10:20:34

24 and sales side? 10:20:39

25 MR. PINTO: Objection; asked and 10:20:40

1 answered. 10:20:41

2 A. I don't know personally. 10:20:41

3 Q. Following the acquisition, how was 10:20:53

4 the regulatory affairs aspect of the Restylane 10:20:56

5 family of products transitioned into Valeant? 10:20:59

6 MR. PINTO: Objection; asked and 10:21:02

7 answered. 10:21:04

8 A. The -- can you repeat that, please. 10:21:04

9 Q. Sure. I'd like to understand how the 10:21:17

10 regulatory affairs aspects of the Restylane 10:21:21

11 family of products was transitioned to Valeant 10:21:24

12 following the merger with Medicis? 10:21:27

13 A. Sure. I understand now. Thank you. 10:21:29

14 It was largely kept the way it was at 10:21:31

15 Medicis. So, Diane Stroehman, as I told you, 10:21:34

16 and Fran Reid were handling these products. 10:21:38

17 Diane had all of the dermatology products plus 10:21:43

18 the Restylane dermal fillers, and Fran 10:21:47

19 reported to her. 10:21:51

20 There was an advertising and 10:21:52

21 promotion individual that oversaw the 10:21:55

22 advertising and promotion who reported in to 10:21:58

23 Diane, and there was a dossier manager, a 10:22:00

24 single dossier manager who reported in to 10:22:05

25 Diane. 10:22:08

1 So, initially, I kept the structure
2 function and roles and relationships exactly
3 the way they were at the time of the merger.

4 After about a year, or perhaps less,
5 I'm thinking after about a year, when Arizona
6 facility realized that we weren't going to
7 keep the Scottsdale, Arizona facility, several
8 people left the organization, at which point I
9 hired Jamie Yieh, and transitioned the
10 regulatory responsibility for Sculp -- for the
11 dermal fillers and several mechanical devices
12 to my new hire, Jamie.

13 Fran Reid did the transition to
14 Jamie, and the dossier management aspects
15 transitioned to New Jersey.

16 Q. Did Diane Stroehman part ways with
17 Medicis and Valeant before Fran Reid
18 transitioned the products to Jamie?

19 A. Yes.

20 Q. Did Fran Reid move to New Jersey as
21 part of the acquisition?

22 A. No.

23 Q. And where does Jamie work, what
24 location?

25 A. In the main office in Bridgewater,

10:22:09

10:22:13

10:22:16

10:22:20

10:22:26

10:22:34

10:22:37

10:22:42

10:22:46

10:22:51

10:22:56

10:22:59

10:23:04

10:23:08

10:23:12

10:23:20

10:23:26

10:23:28

10:23:32

10:23:35

10:23:37

10:23:41

10:23:42

10:23:45

10:23:45

1 New Jersey. 10:23:49

2 Q. Did you personally have to get up to 10:23:56

3 speed on the Restylane family of products 10:23:58

4 regulatory affairs business when the 10:24:05

5 acquisition occurred? 10:24:09

6 A. Big picture topics, 35,000-square 10:24:10

7 foot -- feet topics. If there were major 10:24:15

8 development issues or topics, for example, the 10:24:20

9 Restylane Silk, which was a big new product, I 10:24:24

10 needed to personally be involved with the 10:24:30

11 completion of those clinical trials and the 10:24:33

12 preparation of that SPMA. The same with 10:24:35

13 Midface, I needed to personally be involved 10:24:39

14 with that. 10:24:43

15 But, no, I did not, since as far as I 10:24:45

16 was aware, there were no significant 10:24:51

17 outstanding regulatory issues requiring my 10:24:56

18 attention, my attention, I did not needed to 10:25:01

19 that. 10:25:05

20 Q. So, at the time of the acquisition, 10:25:08

21 there wasn't a big meeting between you and the 10:25:11

22 regulatory folks at Medicis to walk you 10:25:13

23 through the PMAs and all the different 10:25:17

24 supplements and approvals, things like that? 10:25:18

25 A. That's correct, there was not. 10:25:22

1 Q. At any point in time, did you 10:25:25
2 familiarize yourself with the entirety of the 10:25:27
3 PMAs for the Restylane family of products? 10:25:29
4 A. No. 10:25:32
5 Q. Why didn't you do that? 10:25:34
6 A. It isn't my role; it wasn't my role. 10:25:36
7 Q. Because the people beneath you had 10:25:41
8 responsibility for it? 10:25:43
9 A. Correct. 10:25:44
10 MS. FLANAGAN: Will you mark this as 10:26:03
11 Plaintiff's Exhibit 2, please. 10:26:04
12 (Exhibit 2, PREVIOUSLY MARKED,
13 Plaintiff's First Notice of 30(b)(6)
14 Deposition to Defendants, 12 pages, used in
15 this deposition.)
16 THE REPORTER: Exhibit 2. 10:26:13
17 BY MS. FLANAGAN: 10:26:14
18 Q. Mr. Knapp, you've been handed a 10:26:14
19 document that's previously been marked as 10:26:17
20 Plaintiffs' Exhibit 2. Can you please flip 10:26:19
21 through this document and let me know if 10:26:21
22 you've seen it before? 10:26:23
23 (Pause.) 10:26:43
24 A. I have not. 10:26:43
25 Q. Have you seen a document that looks 10:26:46

1	it.	11:32:05
2	MS. FLANAGAN: Let's take a break.	11:32:07
3	THE VIDEOGRAPHER: Going off the	11:32:08
4	record 11:32.	11:32:10
5	(Recess taken: 11:32 a.m.)	11:32:13
6	(Reconvening: 11:47 a.m.)	11:47:27
7	THE VIDEOGRAPHER: Returning to the	11:47:28
8	record 11:47.	11:47:51
9	BY MS. FLANAGAN:	11:47:53
10	Q. Mr. Knapp, before we took a break, we	11:47:53
11	were talking about the intended uses for	11:47:57
12	Restylane-L and Perlane-L.	11:48:00
13	Do you recall that?	
14	A. Yes.	11:48:01
15	Q. How did Valeant arrive at those	11:48:03
16	intended uses for Restylane-L and Perlane-L?	11:48:07
17	A. I don't know. I wasn't here at the	11:48:10
18	time. It would have been Medicis.	11:48:13
19	Q. If I wanted to figure that out, who	11:48:15
20	should I talk to?	11:48:17
21	A. The people who were at Medicis at the	11:48:20
22	time.	11:48:26
23	Q. Which would include who?	11:48:26
24	A. There is a head of overall R&D, and I	11:48:27
25	forget his last name, but his first name was	11:48:39

1 Ira, he was the overall head of R&D; and Steve
2 Newhard would be another person; and the head
3 of medical research, I think her name was Lin
4 Xiaoming; those three.

11:48:42

11:48:48

11:48:50

11:49:06

5 Q. And why would you send me to them to
6 figure out how Medicis arrived at the intended
7 uses for Restylane-L and Perlane-L?

11:49:09

11:49:10

11:49:14

8 A. Because they were there at the time.
9 They may send you to somebody else.

11:49:21

11:49:23

10 Q. So, you would -- would Fran Workman
11 or Fran Reid have had knowledge about that?

11:49:25

11:49:32

12 A. I believe so. I believe so.

11:49:34

13 Q. Do you know if that information was
14 included as part of the transition from Fran
15 Reid to Jamie Yieh?

11:49:35

11:49:37

11:49:40

16 A. I know that it was not.

11:49:43

17 Q. Why do you know it was not?

11:49:44

18 A. Because we generally don't go into
19 that type of history, how it was this
20 developed, why was it developed? It's
21 important to know that's the indication. It's
22 important to know that's the intended use, but
23 it's generally not necessary.

11:49:45

11:49:47

11:49:52

11:49:55

11:49:58

11:50:00

24 And the clinical studies are what
25 they are. You get those intended uses from

11:50:02

11:50:04

1 Valeant doesn't keep separate SOPs for 11:52:45

2 separate operating companies. 11:52:48

3 Q. You also mentioned someone named Ira 11:52:51

4 who is the head of R&D at Medicis? 11:52:53

5 A. Yes. I think it was -- I just can't 11:52:57

6 remember his name. I would recognize it if I 11:53:00

7 heard it. 11:53:06

8 Q. Why would you suggest I go speak with 11:53:06

9 him about finding out how they arrived at the 11:53:08

10 intended uses for Restylane-L and Perlane-L? 11:53:11

11 MR. PINTO: Objection; asked and 11:53:13

12 answered. 11:53:18

13 A. I think that any head of R&D and a 11:53:18

14 multinational pharmaceutical device or drug 11:53:25

15 company would know what they are developing 11:53:29

16 their products for, unless they acquired it 11:53:34

17 themselves; and unless Ira and Steve Newhard 11:53:38

18 and Fran were in the same boat that I'm in, 11:53:45

19 which is, I acquired the Medicis' company, did 11:53:47

20 not have a reason to go back and research 11:53:52

21 that, I would think that they would be in a 11:53:56

22 position -- unless they're in the same boat -- 11:53:58

23 unless they were in the same boat that I'm in 11:54:01

24 presently, I would think that would be your 11:54:04

25 best bet. 11:54:05

1	Q. Have you met Ira before?	11:54:07
2	A. I had met him during the acquisition.	11:54:09
3	Q. Did he come to work for Valeant after	11:54:15
4	the acquisition?	11:54:16
5	A. No.	11:54:18
6	Q. Have you met Steve Newhard before?	11:54:21
7	A. Yes.	11:54:25
8	Q. Did he come to work for Valeant after	11:54:26
9	the transition?	11:54:27
10	A. He did.	11:54:28
11	Q. In what capacity did you interact	11:54:28
12	with Steve Newhard while he was at Valeant?	11:54:31
13	A. Well, you may or may not recall, but	11:54:33
14	I gave up the quality function when Medicis'	11:54:36
15	merger took place. So, Steve became my	11:54:40
16	counterpart heading up the quality	11:54:42
17	organization. And then so he and I were	11:54:44
18	peers; he had the quality organization, and I	11:54:47
19	had the regulatory groups.	11:54:49
20	Q. In terms of Steve's responsibilities	11:54:58
21	for quality, to your knowledge, did he have	11:55:01
22	responsibilities with respect to the Restylane	11:55:03
23	family of products?	11:55:07
24	A. Yes, he did.	11:55:08
25	Q. In what respect?	11:55:09

1 A. He managed the quality control. 11:55:11
2 Previously I described the role of quality as 11:55:16
3 quality control, product releases, setting 11:55:20
4 specifications, making sure products lived up 11:55:23
5 to specifications, and the quality management 11:55:26
6 systems, the types of systems that track 11:55:28
7 trends, complaint analysis. 11:55:32

8 So, those are typical roles for a 11:55:35
9 quality professional. He had them for all 11:55:37
10 Medicis' products. 11:55:41

11 Q. Now, neither Valeant nor Medicis 11:55:42
12 manufacture Restylane-L or Perlane-L; correct? 11:55:47

13 A. To the best of my knowledge, that's 11:55:52
14 correct. 11:55:53

15 Q. So, what was your understanding of 11:55:54
16 the quality department's responsibilities in 11:56:00
17 terms of product release of Restylane-L and 11:56:04
18 Perlane-L? 11:56:07

19 A. As with any CMO, whenever you utilize 11:56:08
20 a contract manufacturer or its manufactured by 11:56:15
21 a third party, it's, the owner, whoever owns 11:56:18
22 the PMA is technically responsible for the 11:56:24
23 quality of the product. 11:56:28

24 Typically, how that's done is, 11:56:29
25 through auditing of the contract manufacturer, 11:56:33

1 A. Yes. 15:07:53

2 Q. And Xiaoming Lin; correct? 15:07:53

3 A. Yep. 15:07:53

4 Q. And who is Jessica Woodring, if you 15:07:54

5 know?

6 A. I believe that is the person I was 15:07:56

7 referring to earlier as Phil Sterno's 15:07:59

8 counterpart. I think you've discovered the 15:08:04

9 missing link to that project manager at 15:08:06

10 Medicis. And that's the team. And that was 15:08:09

11 troubling me, because I couldn't remember that 15:08:13

12 person's name. We found it. 15:08:14

13 Q. Did Jessica Woodring become a Valeant 15:09:02

14 employee at any point? 15:09:05

15 A. That's why I probably couldn't 15:09:07

16 remember her name. I don't think she did. I 15:09:09

17 think she was one of the earlier departures 15:09:11

18 probably about a month or so after the merger, 15:09:16

19 maybe; but, yeah, that's why I don't remember 15:09:19

20 her name. I'm pretty sure she did not. 15:09:22

21 MS. FLANAGAN: You can set the 15:09:36

22 document aside but keep it handy because we're 15:09:37

23 going to go back to it. 15:09:40

24 (Exhibit 36, FDA document, Bates

25 numbers VAL0044144 through 180, marked for